

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

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THE WHITE HILLS PARK FEDERATION TRUST
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Reference and Administrative Details
For the Year Ended 31 August 2017

Members

T Launchbury (resigned 21 September 2016)
R Brittle
C Day (resigned 10 October 2017)
P Heery (resigned 12 December 2016)
C Heath (resigned 30 September 2016)
K Sandy (resigned 31 December 2016)
J Macdonald (resigned 8 November 2016)
C Goodyear
C Peebles (appointed 1 January 2017)
C Peacock (appointed 15 October 2016)

Directors

T Launchbury¹
P Heery, Chief Executive Officer¹
A Bird, Chair¹
R Brittle
S Cox (appointed 31 October 2016)¹
C Day
C Heath (resigned 30 September 2016)
S Heptinstall (resigned 30 September 2016)
S Limbachia¹
J Macdonald¹
C Peebles
G Perry-Slack (appointed 31 October 2016)¹
W Plimmer (resigned 24 August 2017)
K Sandy (resigned 31 December 2016)
S Tonks (resigned 14 October 2016)
M Wallace¹
C Welch
C Goodyear
S Vasey
C Peacock¹
N Caley (appointed 28 February 2017)¹

¹ members of the Resources Committee

Company registered number

08195720

Company name

The White Hills Park Federation Trust

THE WHITE HILLS PARK FEDERATION TRUST
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Reference and Administrative Details of the Trust, its Directors and Advisers
For the Year Ended 31 August 2017

Advisers (continued)

Principal and registered office

Moor Lane, Bramcote, Nottingham, Nottinghamshire, NG9 3GA

Company secretary

M Powell

Senior management team

P Heery, Chief Executive Officer/Executive Headteacher
K Stephan, Deputy Executive Headteacher – Community
J Macdonald, Head of College – Bramcote College
L Rockley, Assistant Executive Headteacher – Teaching and Learning
T Hyland, Assistant Executive Headteacher – Data
J Cooper, Assistant Executive Headteacher – Transition
M Powell, Head of Educational Support
N Caley, Head of School – The Alderman White School
H Gale, Acting Deputy Head of School – The Bramcote School
F Parker, Deputy Head of College
P Broadley, Deputy Head of Inclusion – The Bramcote School (until 31 August 2017)
S Morton, Acting Assistant Headteacher
L Floate, Acting Assistant Headteacher
S Plimmer, Acting Assistant Headteacher (until 31 August 2017)
A Holling, Acting Assistant Headteacher

Independent auditors

Smith Cooper Limited, 2 Lace Market Square, Nottingham, NG1 1PB

Bankers

Lloyds Banking Group Plc, Manchester, M15 4PU

Solicitors

Flint Bishop LLP, St. Michael's Court, St. Michael's Lane, Derby, DE1 3HQ

THE WHITE HILLS PARK FEDERATION TRUST
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Directors' Report
For the Year Ended 31 August 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates two secondary academies in Bramcote, Nottingham. Its academies have a combined pupil capacity of 2,200 (including 300 Post 16 places). One academy provides education to students in the age range 11 – 16, serving the catchment areas of Stapleford and Trowell. The other academy serves the Beeston area of Nottingham and provides education for the 11 – 18 age range on a split site. The Academy Trust's sixth form provision is available for students throughout Nottingham.

Structure, governance and management

a. CONSTITUTION

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the academy trust.

The Directors act as the Trustees for the charitable activities of The White Hills Park Federation Trust and are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as The White Hills Park Federation Trust.

The Academy Trust was incorporated on 30 August 2012 and commenced activities on 1 October 2012. The Academy Trust comprises the following academies:

Alderman White School
The Bramcote School

Details of the Directors who served during the are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. DIRECTORS' INDEMNITIES

Directors and Trustees are covered by the Education Funding Agency's Risk Protection Arrangements. As part of this scheme the Directors, Trustees and Governors receive unlimited indemnity.

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Directors' Report (continued)
For the Year Ended 31 August 2017

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

The Members are Directors of the company for the purposes of the Companies Act 2006 and Trustees for the purpose of charity legislation.

The Company shall have the following Directors:

- The Members may appoint up to 30 Directors.
- The Members may appoint staff Directors that may not exceed one third of the total number of Directors
- The Chief Executive Officer
- A minimum of 4 Parent Directors

Staff Directors are appointed through seeking volunteers and if appropriate undertaking an election process. Parent Directors are sought through an election process. The Directors may appoint Parent Directors if the number of parents standing for election is less than the number of vacancies.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The Trust provides an induction booklet for all new Directors. The Directors have appointed a training Director who manages the training needs of the board.

f. ORGANISATIONAL STRUCTURE

The Directors of the Trust are responsible for setting general policy, making decisions about the strategic direction of the Trust, capital expenditure and the appointment of the Executive Headteacher. The Directors have agreed a scheme of delegation of responsibilities to the committees of the Trust. The Committees are:

- Achievement and Standards Committee
- Pay Committee
- Resources Committee
- Student Committee

All committees report back to the Board of Directors. All Directors are provided with copies of policies, procedures, minutes, budgets, audited accounts and other documents as appropriate that they need to effectively undertake their role as a Director.

With effect from 1 September 2016, the duties of the Audit Committee were assumed by the Resources Committee.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The directors consider that the Senior Leadership Team ("SLT") and the Board of Directors comprise the Key Management Personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. The SLT for 2016/17 was made up of 1 executive headteacher and deputy, 3 heads of school/college, 3 federation assistant headteachers and 1 head of educational support staff. These permanent staff were supported by other staff temporarily seconded to the SLT to support the level of work required in the closure of The Bramcote School site and pending the restructure of the leadership team to continue the school improvement seen during the year. No director receives any form of remuneration, unless they are appointed as a staff director.

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Directors' Report (continued)
For the Year Ended 31 August 2017

The Board of Directors of the Trust have in place a pay policy which was adopted on 9th November 2015 and which is reviewed annually with the Executive headteacher. The pay policy states that the Board is committed to taking pay decisions in accordance with the principles of public life as listed in DfE guidance; objectivity, openness and accountability. The policy also notes that the Board recognises the legal requirements placed upon them by the Education Act 2002 and subsequent legislation together with the current School Teacher's Pay and Conditions document (STPCD) and the National and Local Conditions of Service for National Joint Council staff and the Education (School Teacher Appraisal) (England) Regulations 2012. The policy also reflects the Trust's responsibilities to staff under the Equality Act 2010, the Employment Relations Act 1999 and all other relevant legislation of which the Trust is aware.

The Board of Directors delegates to the Pay Committee the responsibility for approving decisions relating to performance pay progression in line with the pay policy.

The policy is based on a "whole school" approach to pay issues with pay decisions taken in the full consideration of the resources available within the overall school budget. This means that pay decisions relating to particular groups of staff are not taken in isolation.

All employees are paid in accordance with the statutory provisions of the STPCD and the "Burgundy Book" (teaching staff) or the National Joint Council "Green Book" conditions of service and NJC pay scales (support staff); and the pay ranges determined by the school.

For new headteacher/executive headteacher appointments, or for existing posts where responsibilities have changed significantly, the Board determines a consecutive seven point range (IPR) on the leadership pay range within the School's group size. The School group calculation is based on pupil numbers at each Key Stage and is considered by the Trust to be an appropriate way to assess the complexity and challenge of the head teacher role.

For new appointments to deputy headship and assistant headteachers, or for existing posts where responsibilities have changed significantly, the Board will determine a 5 point range on the leadership pay range, in line with the STPCD and the guidance provided by Nottinghamshire County Council. There is no overlap between this 5 point pay range and the headteacher pay range.

The IPR ranges of the head teacher or other senior leaders are not altered if they have reached the top of their individual pay range or to provide the equivalent of a pay award.

Pay progression of the executive headteacher, head of schools, deputy and assistant head teachers is reviewed annually in line with the pay policy. From 1 September 2016 any pay uplift for key management personnel is not automatic, but is based on individual performance assessed through the school's Appraisal Policy. In accordance with the STPCD the head teacher and other leaders paid on the LPR must demonstrate a sustained high quality of performance with particular regard to the quality of leadership and management; pupil progress; the quality of teaching and the behaviour and safety of pupils at the school.

In reviewing the executive headteacher's performance, the Board employs the services of an external advisor.

Support staff leadership payments are made in accordance with the National Joint Council for Local Government Services payscales and allowances that are reviewed annually. Individual pay for posts within the Trust are assessed utilising the Job evaluation process that is detailed within the National Joint Council national pay and conditions of service, known as the green book.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

In line with FRS 102 the Trust must declare all relevant connections and related party interests in the period.

Related parties of the Trust include:

- Trustees and close members of their family
- Key management of the Trust and close members of their family
- Other entities over which such individuals have control, joint control or significant influence
- Subsidiaries

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Directors' Report (continued)
For the Year Ended 31 August 2017

Declarations of related party interests were made by staff members in the period, one of whom was a Director during the year. It was deemed by the Trustees and the management team that there were sufficient appropriate safeguards in place within the Trust to ensure that these relationships did not prejudice decision making.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living in Nottingham and the surrounding area who have need, the provision of facilities for recreation or other leisure time occupation who have need of such facilities due to their youth, age, affinity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the Articles of Association the Trust has entered into relevant funding agreements for each Academy with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the Trust, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Trust during the period ended 31 August 2017 are summarised below:

- To ensure all students within the Trust receive a highly effective education which will ensure they reach their potential.
- To continue to raise the standard of education by improving the quality of teaching and learning.
- To provide a curriculum which matches the needs and the ambitions of all students.
- To ensure compliance with all statutory and curriculum requirements.
- To provide value for money for the funds expended.

The Trust's main objective is to provide a high quality of education for all of its students. This is achieved by:

- A rigorous system of quality assuring all aspects of our provision.
- Providing well targeted and customised training for all staff within the Trust.
- Creating a culture of continual improvement amongst all staff within the Trust.
- Creating a supportive environment for our students in which they can thrive and achieve.
- Ensuring a range of activities and experiences for all of our students, both in and outside of the classroom

c. PUBLIC BENEFIT

In setting the objectives, planning and delivery of the activities of the Trust the Directors have complied with their duty to have due regard to the guidance published by the Charity Commission.

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Directors' Report (continued)
For the Year Ended 31 August 2017

Strategic Report

Achievements and performance

a. REVIEW OF ACTIVITIES

A section 5 Ofsted inspection was undertaken at The Alderman White School in March 2017, the outcome was judged as good. A section 5 inspection was then undertaken at The Bramcote School in May 2017, the outcome was also judged as good. The accompanying inspectors' reports made it clear that the Schools have and continue to make significant improvements in all areas.

The majority of the Academy Trust's funding is based on student numbers. Therefore the number on roll is a key performance indicator. The census for spring 2017 recorded 1,269 students on roll, which compared to 1,318 for Spring 2015 – 16.

Intake into the Trust's sixth form for 2017 - 18 has been much lower than had been anticipated. Following the closure of The Bramcote School site in August 2017, temporary accommodation is required for the KS5 for the 17/18 and 18/19 academic years, until the new school build project progresses. Delays in getting that temporary accommodation in place and establishing the collegiate feel to the 6th form area to compete with local colleges, has contributed to a decline in numbers. However, this situation is considered to be a temporary one.

The White Hills Park Federation Trust has raised the achievement of its students over several years. Validated data for 2017 is not yet available, but indications are that results overall are improving.

Examination Results

	2015	2016	2017
Progress 8 (**)	-	-0.23	-0.06
A level APS/student (*)	618	103.2	101.3

(*) Point scores changed for the KS5 qualifications between 14/15 and 15/16 academic years. For example, an A star was worth 300 points in 2015 but was worth 60 points in 2016. On a 2015 points basis, the A level APS/student for 2016 would have been 729.5.

In the academic year 2016-2017 the attendance of students was 95.9% for the Alderman White School including Bramcote College (2015-16: 95.4%) and 95.4% for the Bramcote School (2015-16: 95.3%), above the National Average.

The number of permanent exclusions in the year was 1, compared to 2 for the previous academic year, well below the National Average.

Staff costs as a percentage of GAG income were 85% for 2016 -17, compared to 86% for 2015 - 16.

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Directors' Report (continued)
For the Year Ended 31 August 2017

b. GOING CONCERN

As detailed in the Directors' report "Annual Review" section, the Trust's SOFA for the year ended 31 August 2017 shows a deficit of £199,000 and the Total of Unrestricted Funds and Restricted Funds (less Pension fund) carried forward was a deficit of £33,000.

Since the date of conversion in 2012 up until 31 August 2016, the Trust had held reserves and produced a balanced budget.

During the 12 months ended 31 August 2016 there were a number of central government policy decisions that impacted on the projected health of the Trust's reserves, including increased NI contributions, Teacher Pension employer's contributions and a reduction in ESG funding. These additional costs coupled with the Trust bearing a three year salary protection commitment of almost £590,000 following a teaching staff restructure, were the key drivers of the deficit position noted as at 31 August 2016.

This deficit had been forecast within the Trust's 5 year budget plans and as such, in autumn 2015 the Accounting Officer contacted the ESFA, and an agreement for short term financial support was made in January 2017.

At the same time, the Trust implemented several strategies to continue to reduce costs. The most significant of these strategies was to vacate The Bramcote School site with effect from 31 August 2017, on the basis that the ongoing maintenance and upkeep of three separate sites was not sustainable in the long term, and only 2 sites were needed.

Continued review of staffing led to 3 redundancies as at 31 August 2016 with a further 3 as at 1 January 2017. The move to 2 sites also generated a further headcount reduction of 2.

The proactive stance taken by the Trust to contact the ESFA and produce detailed recovery plans as soon as potential financial issues were identified, has allowed the Trust to meet all its financial obligations in the year and be in a position to repay the short term financial assistance from February 2018, under the terms specified by the ESFA.

Financial review

a. RESERVES POLICY

The Directors policy is to review the reserve levels of the Academies annually. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA.

The Trust had total funds at 31 August 2017 of £18,778,000. There was a zero balance of unrestricted funds and a £23,514,000 balance which can only be realised by the disposal of tangible fixed assets. The balance on restricted general funds and other restricted funds was a deficit of £33,000. As noted earlier at "going concern", this has arisen primarily as a result of a recent dip in pupil numbers, combined with the fact that initiatives taken to restructure staffing have resulted in additional cost to the Trust in the early stages, with savings to come in future periods.

The Trust balance sheet incorporates a deficit within restricted funds, relating to the Local Government Pension Scheme (LGPS). However, this does not mean that an immediate liability for this amount has crystallised. Following the triennial pension scheme valuation that was completed in 2016 the Academy Trust is required to pay 18.3% of LGPS members salary costs per annum to the pension fund for deficit recovery. This is the amount notified by the actuaries as being sufficient to remove the deficit within an appropriate period.

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Directors' Report (continued)
For the Year Ended 31 August 2017

b. INVESTMENT POLICY AND PERFORMANCE

Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. The Directors may authorise the opening of an additional short term bank Investment account to take advantage of higher interest rates. Any other form of investment must have prior written Director approval.

c. PRINCIPAL RISKS AND UNCERTAINTIES

Student numbers

The principal risk for the Trust during the next few years is any potential reduction in student numbers. As previously noted, student numbers have remained static and current indicators, including detailed analysis of student numbers in our feeder schools, suggest that these will start to increase. The Trustees continue to closely monitor local demographic information and maintain strong ties with the Trust's feeder schools.

Staff costs and key pay related factors

The National Living Wage, whilst a significant development for those on lower wages, will have limited impact due to the Trust's current staffing structure. The National Living Wage will impact on the lower graded roles and salary levels moving forward. There is also information available that there is a relaxation of the 1% per annum pay rise for support staff, that we expect to be mirrored with teacher pay from Sept 2018.

Funding

The Trust has considerable reliance on continued Government funding through the ESFA. The Trust closely monitors transition numbers and models the financial implications of any trends or anticipated changes to funding methodology. The likely impact of the introduction the National Funding Formula on the Trust is being reviewed, with current focus on the transition to that formula by the Local Authority.

Post 16 funding is currently in a period of transition, and remains a key area of focus for the Trust's management team.

Reputational

The continuing success of the Trust is dependent on it continuing to attract students in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed. As noted earlier in this report, both The Bramcote School and Alderman White School were judged during the year by OFSTED to be Good, which is considered to have had a significant positive impact within the local community, evidenced by high levels of attendance at recent Open Evenings during October 2017. SLT continue to focus on raising the level of achievement in all year groups.

Safeguarding

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of safeguarding policies and procedures, health and safety and behaviour.

Staffing

The success of the Trust is dependent on the quality of its staff and therefore the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has engaged external auditors to fulfil the internal audit checking and reviewing function, as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and to develop their skills in this area.

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Directors' Report (continued)
For the Year Ended 31 August 2017

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust will continue its key objective to improve the levels of performance of all students, maintaining and improving Ofsted judgments. The Trusts development plan details how each objective will be achieved over a period of time.

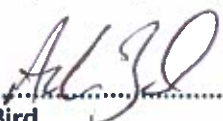
The longer term school re-build project is progressing in accordance with projected timescales. It is anticipated that this will lead to significant improvements in recruitment, reduction in costs and quality of provision.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Directors' Report was approved by order of the board of Directors, as the company directors, on 18/12/17 and signed on its behalf by:


.....

A Bird
Chair of Trustees

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Governance Statement

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that The White Hills Park Federation Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Directors has delegated the day-to-day responsibility to the Executive Head-teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The White Hills Park Federation Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

The Directors have approved the following Committees to focus on specific areas of governance;

- Achievement and Standards Committee – where members have oversight of the curriculum and all matters associated with teaching and learning, review the Federation's schools comparative academic performance and advise and guide the Board in these areas;
- Pay Committee – to authorise, manage and implement pay decisions in line with the Academy Trust's pay and appraisal policies;
- Resources Committee – where the Directors review and challenge the ongoing financial results of the Academy Trust, and decide on issues arising in such areas as Health and Safety; tasked with reviewing the overall risk profile of the Academy Trust, monitoring risk management techniques and providing financial oversight.
- Student Committee – established to oversee and monitor delivery of the Academy Trust's five year vision as it relates to students and the wider community.

The terms of reference for each of these Committees are regularly reviewed and amended where necessary as the needs and objectives of the Academy Trust evolve.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
P Heery, Chief Executive Officer	6	6
T Launchbury	6	6
A Bird	5	6
R Brittle	6	6
C Day	3	6
C Heath	1	1
S Heptinstall	0	1
C Peacock	5	6
S Limbachia	3	6
J Macdonald	5	6
C Peebles	4	6
W Plimmer	4	6
K Sandy	1	1
S Tonks	0	1
M Wallace	6	6
C Welch	5	6
C Goodyear	6	6
S Vasey	6	6

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Governance Statement (continued)

S Cox	3	5
G Perry-Slack	4	5
N Caley	3	4

Governance reviews

The review into the impact of the governing body has given us confidence that the structure of the committees and the skills deployed within those committees is both driving and supporting the Federation's improvement plans. Both Ofsted inspections at our schools this year resulted in a Good outcome and praised the strength and effectiveness of the governing body.

Two Parent Governors joined us in the previous academic year, bringing skills and experience with both commercial property development and data protection legislation. They have both added these skills to the Resources Committee. The new Chair of the Resources Committee has brought necessary rigour and commercial experience to help the Federation navigate the challenging educational funding environment.

We appointed both new Chair and Vice Chair of the Student and Community Committee. The impact of these new leaders has meant responsibility for behaviour monitoring has now returned to this committee. We have identified a potential skill gap with regard to mental health oversight and are actively looking to expand the committee to include someone with an appropriate skillset.

The Achievement and Standards committee continues to provide a high level of challenge to the Federation. Teaching standards continue to improve across our schools. The Chair of this committee stepped down after three years in post, but remains on the committee. His replacement, a school improvement professional, is equally able to lead and continue the drive for academic outcomes.

Committee membership is reviewed annually in order to ensure that suitable Directors make up the group.

The number of meetings for the Achievement and Standards committee was increased following the OFSTED inspections in the previous year, so as to ensure that the members dedicate sufficient time and resource to the follow up of the issues raised from those visits.

The Directors of the Trust held a visioning session during the year to review and amend the Trust's overall vision that has been communicated to all staff, students and parents.

The Board of Directors have continued the process of self-evaluation throughout the year, undertaking the review of the 21 questions for Multi Academy Trusts published by the APPG.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Head-teacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- During 2016 – 17, the Directors and the Executive Head-teacher restructured the Trust leadership team. This restructure followed a year of temporary leadership positions at The Bramcote School, and allows for clear internal reporting lines and the cost effective management of the 2 11-16 schools and the Post 16 College within the Trust.
- Following initial benchmarking reviews against comparable MAT data during 2014 – 15, a decision was made by the Trust to vacate one of its sites during August 2017 in order to make more efficient and cost effective use of total building stock. The move was completed during the summer break, making best use of the Trust's own employees and resources so as to keep move costs to a minimum. Leading up to the move, a detailed assessment was made of all the Trust's assets, so as to ensure that going forward,

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Governance Statement (continued)

equipment and resources would be in the right location, and that any equipment no longer required could be dealt with appropriately.

- The Trust-wide contract for printers and copiers expired in July 2017. Quotes were obtained from 3 providers including the incumbent, and were assessed against external Frameworks by the finance team on the basis of cost, service and value-add criteria. Taking into account the school move discussed above, the number of printers across the Trust was also re-evaluated and reductions made. The new contract negotiated included re-furnished machines where appropriate, and resulted in reduced copy costs.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The White Hills Park Federation Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

Where it is considered appropriate in order to effectively manage potential risk to the Academy Trust, external support and advice is sought from external providers of audit and legal service, occupational and governor/director support, and insurance.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Directors has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Limited, the external auditor, as internal auditor. An annual testing plan is agreed between Smith Cooper Limited and the Academy Trust and detailed reports are provided to the Directors on work performed and any recommendations for improvement. Members of the Smith Cooper Limited internal audit team do not work on the external audit to ensure that the independence and objectivity between the two services provided is maintained.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the internal auditor provides detailed reports to the board of Directors on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities. In particular the checks carried out in the current period included:

- testing of purchase systems

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

- testing of payroll systems
- testing of control account/bank reconciliations
- testing of expense claims
- testing of petty cash transactions
- testing of income transactions
- testing of school fund expenditure allocation
- testing of related party transactions
- testing of fixed assets
- testing of financial reporting and compliance

Twice a year, the auditor reports to the board of trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Smith Cooper Limited has been able to deliver their schedule of work as planned and no material control issues were identified.

REVIEW OF EFFECTIVENESS

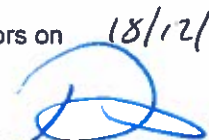
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Directors on 18/12/17 and signed on their behalf, by:


.....
A Bird, Chair
Chair of Trustees


.....
P Heery
Accounting Officer

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The White Hills Park Federation Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



P Heery
Accounting Officer

Date: - 18/12/17

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of The White Hills Park Federation Trust

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust's or to cease operations, or have no realistic alternative but to do so.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of The White Hills Park Federation Trust

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Sarah Flear

Sarah Flear (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: *19 December 2017*

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The White Hills Park Federation Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The White Hills Park Federation Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The White Hills Park Federation Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The White Hills Park Federation Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The White Hills Park Federation Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE WHITE HILLS PARK FEDERATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The White Hills Park Federation Trust's funding agreement with the Secretary of State for Education dated 25 May 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the outcome of the 2016 regularity audit
- a review of the evidence used to support the Accounting Officer's conclusions on the Regularity Statement
- a review of the adequacy of the internal audit function and the adequacy of the program of work
- a review of the internal audit reports during the year ended 31 August 2017
- a review of the internal control environment and whether the environment has regard to regularity of transactions. Consideration to significant changes in the control environment and whether this has led to potential weaknesses
- confirmation through enquiry and sample testing that gifts and hospitality are given and received in line with the Academy Trust's policies

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The White Hills Park Federation Trust and the Education and Skills Funding Agency (continued)

- confirmation through enquiry and sample testing that the use of expense claims or credit cards and petty cash adheres to internal control principles and that items are not for personal benefit
- confirmation through enquiry and sample testing that expenditure does not contravene the funding agreement
- confirmation through enquiry and sample testing that the lines of delegation and limits set both internally and by the EFA have been adhered to
- consideration to procurement and tendering procedures ensuring these have been correctly adhered to and administered
- consideration to the compliance of the Academy's delegated authorities over financial transactions and evidence of prior approval from the Secretary of State where applicable
- a review of declarations of business interests for all governors/directors and key staff
- a review of transactions with connected parties ensuring these have been completed following correct procurement and tendering procedures
- a review of meeting minutes of the various committees

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Limited

Smith Cooper Limited
Chartered Accountants
2 Lace Market Square
Nottingham
NG1 1PB

Date: *19 December 2017*

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	-	3	231	234	383
Charitable activities	3	-	8,642	-	8,642	8,642
Other trading activities	4	69	-	-	69	66
Investments	5	-	-	-	-	1
TOTAL INCOME		69	8,645	231	8,945	9,092
EXPENDITURE ON:						
Charitable activities	6	69	8,941	1,078	10,088	10,130
Impairment of tangible fixed assets	13	-	-	8	8	11,558
TOTAL EXPENDITURE		69	8,941	1,086	10,096	21,688
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	17	-	(296)	(855)	(1,151)	(12,596)
		-	(27)	27	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	(323)	(828)	(1,151)	(12,596)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	952	-	952	(2,305)
NET MOVEMENT IN FUNDS		-	629	(828)	(199)	(14,901)
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(5,365)	24,342	18,977	33,878
TOTAL FUNDS CARRIED FORWARD		-	(4,736)	23,514	18,778	18,977

THE WHITE HILLS PARK FEDERATION TRUST

(A Company Limited by Guarantee)

Registered number: 08195720

**Balance Sheet
As at 31 August 2017**

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Tangible assets	13		23,514	24,090
CURRENT ASSETS				
Debtors	14	178		245
Cash at bank and in hand		319		719
		<u>497</u>		<u>964</u>
CREDITORS: amounts falling due within one year	15	<u>(530)</u>		<u>(787)</u>
NET CURRENT (LIABILITIES)/ASSETS			<u>(33)</u>	<u>177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,481</u>	<u>24,267</u>
CREDITORS: amounts falling due after more than one year	16		<u>-</u>	<u>(4)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>23,481</u>	<u>24,263</u>
Defined benefit pension scheme liability	23	(4,703)	<u>(4,703)</u>	<u>(5,286)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>18,778</u>	<u>18,977</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	(33)		(79)
Restricted fixed asset funds	17	23,514		24,342
		<u></u>		<u></u>
Restricted income funds excluding pension liability		23,481		24,263
Pension reserve		<u>(4,703)</u>		<u>(5,286)</u>
Total restricted income funds			<u>18,778</u>	<u>18,977</u>
TOTAL FUNDS			<u>18,778</u>	<u>18,977</u>

The financial statements on pages 22 to 47 were approved by the Directors, and authorised for issue, on 12/12/17 and are signed on their behalf, by:


.....

A Bird, Chair
Chair of Trustees

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>110</u>	<u>456</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	1
Purchase of tangible fixed assets		<u>(510)</u>	<u>(138)</u>
Net cash used in investing activities		<u>(510)</u>	<u>(137)</u>
Cash flows from financing activities:			
Repayments of borrowings		-	(3)
Net cash used in financing activities		<u>-</u>	<u>(3)</u>
Change in cash and cash equivalents in the year		(400)	316
Cash and cash equivalents brought forward		<u>719</u>	<u>403</u>
Cash and cash equivalents carried forward		<u><u>319</u></u>	<u><u>719</u></u>

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The White Hills Park Federation Trust constitutes a public benefit entity as defined by FRS 102.

Details of the registered office are provided in the Reference and Administrative Details.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Land	-	Over the term of the lease (125 years)
L/Term Leasehold Property	-	Straight line over the shorter of useful economic life or lease term
S/Term Leasehold Property	-	Straight line over the shorter of useful economic life or lease term
Leasehold improvements	-	Straight line over the shorter of useful economic life or lease term
Motor vehicles	-	Straight line at 25%
Fixtures and fittings	-	Straight line at 20%
Computer equipment	-	Straight line at 33%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	-	3	-	3	11
Capital grants	-	-	231	231	372
	-	3	231	234	383
<i>Total 2016</i>	-	10	373	383	

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,722	6,722	6,670
Other DfE/ESFA grants	-	1,261	1,261	1,382
	<u>-</u>	<u>7,983</u>	<u>7,983</u>	<u>8,052</u>
Other government grants				
Special educational projects	-	257	257	214
Local authority grants	-	26	26	87
	<u>-</u>	<u>283</u>	<u>283</u>	<u>301</u>
Other income from the academy trust's educational operations				
School trip income	-	183	183	143
Other incoming resources	-	193	193	146
	<u>-</u>	<u>376</u>	<u>376</u>	<u>289</u>
	<u>-</u>	<u>8,642</u>	<u>8,642</u>	<u>8,642</u>

In 2016, of the total income from funding for academy's educational operations, £Nil was to unrestricted funds and £8,642,000 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of facilities	69	-	69	66
	<u>69</u>	<u>-</u>	<u>69</u>	<u>66</u>
Total 2016	<u>66</u>	<u>-</u>	<u>66</u>	

THE WHITE HILLS PARK FEDERATION TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest	-	-	-	1
<i>Total 2016</i>	<i>1</i>	<i>-</i>	<i>1</i>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy trust educational operations	6,125	3,963	10,088	10,130
<i>Total 2016</i>	<i>6,428</i>	<i>3,702</i>	<i>10,130</i>	

7. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	5,498	-	627	6,125	6,428
Support costs	1,535	1,311	1,117	3,963	3,702
	<u>7,033</u>	<u>1,311</u>	<u>1,744</u>	<u>10,088</u>	<u>10,130</u>
<i>Total 2016</i>	<i>7,245</i>	<i>1,377</i>	<i>1,508</i>	<i>10,130</i>	

8. NET INCOME/EXPENDITURE

Net income/(expenditure) for the period includes:

	2017 £000	2016 £000
Operating lease rentals	12	14
Depreciation	1,078	1,087
Fees payable to auditor for:		
- audit	11	11
- other services	4	4

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During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

9. CHARITABLE ACTIVITIES

	Total funds 2017 £000	Total funds 2016 £000
DIRECT COSTS		
Teaching and educational support staff costs	4,372	4,766
National insurance	440	395
Pension cost	686	708
Depreciation	28	40
Educational supplies	364	315
Examination fees	122	121
Other direct costs	109	71
Recruitment and support	4	12
	<u>6,125</u>	<u>6,428</u>
ANALYSIS OF SUPPORT COSTS		
Wages and salaries	955	969
National insurance	66	56
Pension cost	515	350
Depreciation	1,050	1,048
Technology costs	90	86
Maintenance of premises and equipment	305	216
Cleaning	263	256
Rent and rates	73	91
Energy costs	176	190
Insurance	89	101
Catering	71	84
Other support costs	293	238
Governance costs	17	17
	<u>3,963</u>	<u>3,702</u>
	<u>10,088</u>	<u>10,130</u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	5,141	5,319
Social security costs	506	451
Operating costs of defined benefit pension schemes	1,201	1,058
	6,848	6,828
Apprenticeship levy	5	-
Supply teacher costs	154	198
Staff restructuring costs	26	219
	7,033	7,245

Staff restructuring comprises redundancy payments of £15,265 (2016 - £203,000) and severance payments of £10,725 (2016 - £16,000).

The average number of persons employed by the Trust during the year was as follows:

	2017 No.	2016 No.
Teachers	85	86
Admin	132	102
Management	13	12
	230	200

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	7
In the band £70,001 - £80,000	1	0
In the band £100,001 - £110,000	1	1

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,117,081 (2016 - £897,977).

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Notes to the Financial Statements
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11. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2017	2016
		£000	£000
P F Heery (Principal and trustee)	Remuneration	100-105	100-105
	Pension contributions paid	15-20	15-20
J Macdonald (staff trustee)	Remuneration	65-70	65-70
	Pension contributions paid	10-15	10-15
C Welch (staff trustee)	Remuneration	30-35	30-35
	Pension contributions paid	5-10	5-10

During the year ended 31 August 2017, no Directors received any reimbursement of expenses (2016 - £NIL).

12. DIRECTORS' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

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13. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £000	L/Term Leasehold Land & Buildings £000	S/Term Leasehold Land & Buildings £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost							
At 1 September 2016	1,089	37,913	191	16	253	245	39,707
Additions	492	-	-	-	-	18	510
At 31 August 2017	<u>1,581</u>	<u>37,913</u>	<u>191</u>	<u>16</u>	<u>253</u>	<u>263</u>	<u>40,217</u>
Depreciation							
At 1 September 2016	283	14,828	75	16	205	210	15,617
Charge for the year	38	964	19	-	29	28	1,078
Impairment charge	-	-	-	-	8	-	8
At 31 August 2017	<u>321</u>	<u>15,792</u>	<u>94</u>	<u>16</u>	<u>242</u>	<u>238</u>	<u>16,703</u>
Net book value							
At 31 August 2017	<u>1,260</u>	<u>22,121</u>	<u>97</u>	<u>-</u>	<u>11</u>	<u>25</u>	<u>23,514</u>
At 31 August 2016	<u>806</u>	<u>23,085</u>	<u>116</u>	<u>-</u>	<u>48</u>	<u>35</u>	<u>24,090</u>

As referred to in the Directors' Report, the Trust moved all pupils from the Bramcote School site by the end of the 2016/17 academic year to other buildings occupied by the Trust. As a result the buildings affected no longer have any value in use to the Trust and have therefore been impaired.

14. DEBTORS

	2017 £000	2016 £000
Trade debtors	13	11
Other debtors	23	70
Prepayments and accrued income	142	164
	<u>178</u>	<u>245</u>

15. CREDITORS: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	34	34
Other taxation and social security	119	133
Other creditors	178	132
Accruals and deferred income	199	488
	<u>530</u>	<u>787</u>

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15. CREDITORS: Amounts falling due within one year (continued)

	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	125	168
Resources deferred during the year	148	125
Amounts released from previous years	(125)	(168)
	<u>148</u>	<u>125</u>
Deferred income at 31 August 2017	<u>148</u>	<u>125</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips, Special Educational Needs funding, and rates.

Included within other creditors falling due within one year and greater than one year is an unsecured Salix loan of £3,745 (2016 - £4,157) and £Nil (2016 - £3,745) respectively.

16. CREDITORS: Amounts falling due after more than one year

	2017 £000	2016 £000
Other creditors	<u>-</u>	<u>4</u>

THE WHITE HILLS PARK FEDERATION TRUST
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17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted funds	-	69	(69)	-	-	-
Restricted funds						
General Annual Grant (GAG)	(107)	6,722	(7,032)	342	-	(75)
Other DFE/ESFA grants	-	1,261	(1,261)	-	-	-
Other government grants	-	257	(257)	-	-	-
Local authority grants	-	26	(26)	-	-	-
Other restricted	28	379	(365)	-	-	42
Pension reserve	(5,286)	-	-	(369)	952	(4,703)
	<u>(5,365)</u>	<u>8,645</u>	<u>(8,941)</u>	<u>(27)</u>	<u>952</u>	<u>(4,736)</u>
Restricted fixed asset funds						
Transferred on conversion	23,203	-	(957)	3	-	22,249
Capital expenditure from GAG	98	-	(66)	18	-	50
Academies Capital Maintenance Fund (ACMF)	18	-	(9)	-	-	9
Software funding	1	-	-	-	-	1
LA Capital Project Funding	649	-	(36)	-	-	613
Condition Improvement Fund (CIF)	372	231	(18)	6	-	591
Music stands	1	-	-	-	-	1
	<u>24,342</u>	<u>231</u>	<u>(1,086)</u>	<u>27</u>	<u>-</u>	<u>23,514</u>
Total restricted funds	<u>18,977</u>	<u>8,876</u>	<u>(10,027)</u>	<u>-</u>	<u>952</u>	<u>18,778</u>
Total of funds	<u>18,977</u>	<u>8,945</u>	<u>(10,096)</u>	<u>-</u>	<u>952</u>	<u>18,778</u>

THE WHITE HILLS PARK FEDERATION TRUST
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Notes to the Financial Statements
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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2016 £000</i>
Unrestricted funds						
Unrestricted funds	22	67	(89)	-	-	-
	<u>22</u>	<u>67</u>	<u>(89)</u>	<u>-</u>	<u>-</u>	<u>-</u>
General funds						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unrestricted funds	<u>22</u>	<u>67</u>	<u>(89)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted funds						
General Annual Grant (GAG)	-	6,670	(6,963)	186	-	(107)
Other DFE/ESFA grants	-	1,382	(1,382)	-	-	-
Other government grants	-	214	(214)	-	-	-
Local authority grants	-	87	(87)	-	-	-
Other restricted	37	299	(308)	-	-	28
Pension reserve	(2,777)	-	-	(204)	(2,305)	(5,286)
	<u>(2,740)</u>	<u>8,652</u>	<u>(8,954)</u>	<u>(18)</u>	<u>(2,305)</u>	<u>(5,365)</u>

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Notes to the Financial Statements
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17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transferred on conversion	35,559	-	(12,356)	-	-	23,203
Capital expenditure from						
GAG	172	-	(92)	18	-	98
Academies Capital						
Maintenance Fund						
(ACMF)	178	-	(160)	-	-	18
Piano funding	1	-	(1)	-	-	-
Software funding	2	-	(1)	-	-	1
LA Capital Project						
Funding	684	-	(35)	-	-	649
Condition Improvement						
Fund (CIF)	-	372	-	-	-	372
Music stands	-	1	-	-	-	1
	<u>36,596</u>	<u>373</u>	<u>(12,645)</u>	<u>18</u>	<u>-</u>	<u>24,342</u>
Total restricted funds	<u>33,856</u>	<u>9,025</u>	<u>(21,599)</u>	<u>-</u>	<u>(2,305)</u>	<u>18,977</u>
Total of funds	<u>33,878</u>	<u>9,092</u>	<u>(21,688)</u>	<u>-</u>	<u>(2,305)</u>	<u>18,977</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to a specific capital purpose imposed by the Department for Education where the asset acquired or created is held for a specific purpose. It should be noted that included within the £1,086,000 expenditure is depreciation of £1,078,000 and impairment of £8,000 relating to leasehold land and buildings and improvements at Bramcote School.

Restricted general funds comprise of all other restricted funds received and include grants from the Department for Education and will only be used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Alderman White School	888	620
The Bramcote School	(921)	(699)
Total before fixed asset fund and pension reserve	<u>(33)</u>	<u>(79)</u>
Restricted fixed asset fund	23,514	24,342
Pension reserve	(4,703)	(5,286)
Total	<u>18,778</u>	<u>18,977</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

17. STATEMENT OF FUNDS (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £000
The Bramcote School	(921)

The Academy Trust is taking the following action to return the Bramcote School to surplus:

The Alderman White School and Language College is an 11-18 school, therefore all funding for Post 16 education is received into the Alderman White School budget. The Bramcote School is an 11-16 school and therefore receives no funding for Post 16 provision. Alderman White's post 16 provision is taught on a separate site from the main school at Alderman White, this site is known as Bramcote College. Teachers from both Alderman White School and The Bramcote School teach post 16 students at Bramcote College.

A formula was developed by the Executive Headteacher to remunerate The Bramcote School for the costs which they incurred in providing teaching at Bramcote College. This formula allows the Trust to maintain a more accurate cost within each relevant school for teaching provision. However, there is inevitably cross over of cost for the use of shared facilities and resources. All staff are employed at the Trust level. Review of where staff salaries are allocated is undertaken once timetables are completed. This invariably results in the net movement of staff costs from The Bramcote School to Alderman White School. The budget deficit is monitored on an ongoing basis to ensure that the Trust overall remains in a positive reserve position.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2017 £000	Total 2016 £000
Alderman White School	3,486	1,097	191	1,130	5,904	5,719
The Bramcote School	2,012	437	173	483	3,105	3,324
	<u>5,498</u>	<u>1,534</u>	<u>364</u>	<u>1,613</u>	<u>9,009</u>	<u>9,043</u>

18. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the year and no central charges arose. The two academies in the Trust are federated and because of the way in which costs are allocated to each Trust, there are no further central recharges required.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	23,515	23,515
Current assets	-	498	1	499
Creditors due within one year	-	(531)	(2)	(533)
Provisions for liabilities and charges	-	(4,703)	-	(4,703)
	<u>-</u>	<u>(4,736)</u>	<u>23,514</u>	<u>18,778</u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2016 £000</i>	<i>2016 £000</i>	<i>2016 £000</i>	<i>2016 £000</i>
Tangible fixed assets	-	-	24,090	24,090
Current assets	-	711	252	963
Creditors due within one year	-	(786)	-	(786)
Creditors due in more than one year	-	(4)	-	(4)
Provisions for liabilities and charges	-	(5,286)	-	(5,286)
	<u>-</u>	<u>(5,365)</u>	<u>24,342</u>	<u>18,977</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<i>2017 £000</i>	<i>2016 £000</i>
Net expenditure for the year (as per Statement of Financial Activities)	(1,151)	(12,596)
Adjustment for:		
Depreciation charges	1,078	1,087
Dividends, interest and rents from investments	-	(1)
Impairment of tangible fixed assets	8	11,558
Decrease/(increase) in debtors	67	(3)
(Decrease)/increase in creditors	(261)	207
Defined benefit pension scheme cost less contributions payable	253	96
Defined benefit pension scheme finance cost	116	108
Net cash provided by operating activities	<u>110</u>	<u>456</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2017 £000</i>	<i>2016 £000</i>
Cash in hand	319	719
Total	<u>319</u>	<u>719</u>

22. CAPITAL COMMITMENTS

At 31 August 2017 the Trust had capital commitments as follows:

	<i>2017 £000</i>	<i>2016 £000</i>
Contracted for but not provided in these financial statements	-	98

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23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £104,302 were payable to the schemes at 31 August 2017 (2016 - 127,008) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £621,423 (2016 - £641,341).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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23. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £284,000 (2016 - £282,000), of which employer's contributions totalled £213,000 (2016 - £213,000) and employees' contributions totalled £71,000 (2016 - £69,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Inflation assumption (RPI)	3.60 %	3.20 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2017	2016
Retiring today		
Males	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	8,692	8,810
Discount rate -0.1%	9,117	9,231
Mortality assumption - 1 year increase	9,193	9,251
Mortality assumption - 1 year decrease	8,621	8,790
CPI rate +0.1%	9,078	9,184
CPI rate -0.1%	8,731	8,857

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23. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	2,778	2,569
Gilts	134	139
Property	490	451
Cash and other liquid assets	87	159
Derivatives	506	254
Other	204	160
Total market value of assets	4,199	3,732

The actual return on scheme assets was £547,000 (2016 - £456,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(466)	(309)
Net interest costs	(114)	(107)
Administration expenses	(2)	(1)
Total	(582)	(417)

Movements in the present value of the defined benefit obligation were as follows:

	2017 £000	2016 £000
Opening defined benefit obligation	9,018	5,781
Current service cost	466	309
Contributions by Scheme participants and employees	71	69
Change in financial assumptions	(830)	2,636
Estimated benefits paid net of transfers in	(22)	(9)
Interest cost	199	232
Closing defined benefit obligation	8,902	9,018

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23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2017 £000	2016 £000
Opening fair value of scheme assets	3,732	3,004
Interest income	85	125
Return on assets less interest	122	331
Contributions by employer	213	213
Contributions by employees	71	69
Estimated benefits paid net of transfers in	(22)	(9)
Administration expenses	(2)	(1)
Closing fair value of scheme assets	4,199	3,732

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	11	12
Between 1 and 5 years	22	-
Total	33	12

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest. In the accounting period ending 31 August 2017, no related party transactions took place.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £23,893 (2016 - £25,947) and disbursed £23,966 (2016 - £25,947) from the fund.

27. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

